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DISPATCH		CLASSIFICATION	DISPATCH SYMBOL AND NO.
		SECRET	ECMA-3157
TO	Chief of Base, Munich		HEADQUARTERS FILE NO.
INFO	ATTN: C		74-6-63/
FROM	COS, C		DATE 8 MAY 1959
SUBJECT	Chief, SR REDWOOD/LOIMPROVE/ARBATH Administrative and Operational Matters Re ARCAPELIN-1 Transfer		RE. "23" - (CHECK "X" ONE) MARKED FOR INDEXING NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ DESK ONLY
Munich - Paras 2 to 4; C - Paras 6 and 7.			
<p>A. ECMA-40137 dated 2 February 1959</p> <p>B. MUNI-2747</p> <p>C. ECMA-39155 dated 15 December 1958</p> <p>D. OFPA-43198 dated 30 January 1959</p> <p>1. The new Paris project cryptonym for ARCAPELIN-1 has been assigned and has already been cabled to you. The new file number for the case will be 29-6-106. Future dispatches should be addressed to the attention of C the Headquarters desk case officer handling the Paris operation.</p> <p>2. FOR MUNICH. ARCAPELIN-1's Salary Payments: In reply to Reference A, Munich Base was correct in paying ARCAPELIN-1 920 DM per month since 1 August 1955. The Memorandum of Oral Agreement in Lieu of Contract entered in March 1956 at Headquarters by the ARBATH field case officer, C (while on TDY) authorized payment of 920 DM per month in the amount. Since this was approved by Headquarters at that time and subsequently has been extended until 31 March 1959, it will not be necessary to take any further administrative steps to allow ARCAPELIN-1 to keep the over-payments. In spite of the fact that the past few project renewals erroneously requested only 840 DM per month as ARCAPELIN-1's field salary, sufficient funds were available each year under Project ARBATH to cover the additional payments made by Munich Base in accordance with the amount authorized under the MOA.</p> <p>3. ARCAPELIN-1/ARCAVATINA Relationship: A review of Headquarters ARBATH files failed to reveal any recent report which summarized ARCAPELIN-1's operational relationship with the ARCAVATINAS. Therefore, it is difficult for Headquarters to comment on the advisability of ARCAPELIN-1's accepting the ARCAVATINA-8 slot in Paris as requested in Para 5, Ref B. It would be appreciated if Henry D. PHILBAUM could clarify the exact status of this relationship including answers to the following questions:</p> <ul style="list-style-type: none"> a. Why has ARCAVATINA-12 confided in ARCAPELIN-1 to the extent indicated in the latter's reports? b. Has there been reciprocal action on ARCAPELIN-1's part? c. What type of information, if any, has ARCAPELIN-1 passed to ARCAVATINA-12 in the past? d. What remuneration has he been receiving from the ARCAVATINAS? e. What was ARCAPELIN-1's exact role in the operational trips undertaken with ARCAVATINA-12 (e.g. Vienna in December 1958)? f. What would be ARCAPELIN-1's duties or activities as the ARCAVATINA-8 representative in Paris? <p>As for Paragraph 5, Reference B, we have no information about any ARCAVATINA ties with OENVI. If such ties exist, please explain the exact status of these ties and the type of activity that ARCAVATINA men are allegedly performing for OENVI? How would ARCAVATINA-12's trip to PRERIME consolidate this OENVI tie? If ARCAPELIN-1 traveled to PRERIME with ARCAVATINA-12, would this not endanger his Paris cover? What type of activities would ARCAVATINA-12 expect ARCAPELIN-1 to perform in PRERIME?</p>			
FORM 10-57 53	USE PREVIOUS EDITION. REPLACE FORMS 10-57, 10-58 AND 10-59 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	CONTINUED COPY

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CONTINUATION OF DISPATCH	CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. EC00-74573
<p>4. ARGAPELIN-1/UPSWING Relationship: Another aspect of Project AERATH that also needs further clarification is that of ARGAPELIN-1's operational relationship with UPSWING. Please summarize ARGAPELIN-1's relations with UPSWING for the past six months or a year including information on his UPSWING case officers and current MKI's. Has ARGAPELIN-1 informed his UPSWING case officer of his impending transfer to Paris? How has the matter of ARGAPELIN-1's termination of service for UPSWING been resolved?</p> <p>5. Cremonese and Escrow Account: In answer to Munich request in Paragraph 3, Reference C, we are herewith transmitting under separate cover and by air ^{mail} as Attachment 1, a complete listing of the ARMASSORHAKS, ARGAPELIN-1, and miscellaneous other Munich personalities known to ARGAPELIN-1. Included as Attachment 2 to this dispatch is complete Headquarters breakdown of ARGAPELIN-1's escrow account including all deposits and withdrawals up to 31 March 1959. The escrow account total as of 31 March 1959 is \$7,445.05.</p> <p>6. ARGAPELIN-1 Archives: In Paragraph 13 of the C ^{outline} submitted as Attachment to Reference D, it states: "For security reasons, it is felt that the agent should not keep his archives, at least in bulky form, outside guarded premises. Accordingly, we intend to micro-film them and will provide him with a small viewer." How extensive are these archives and where will the originals be stored? What type of material do these archives contain? Can ARGAPELIN-1 retain a UNIMUP reproduction machine, microfilm and a viewer in his apartment without endangering his cover as a theology student?</p> <p>7. ARGAPELIN-1 Finances: Paragraph 15 of the field project outline submitted in Reference D requests \$2,000.00 as a temporary raise to offset various losses incurred by ARGAPELIN-1's transfer? Will this amount be paid to ARGAPELIN-1 in a lump sum; on a monthly basis by field; or through Headquarters deposits to his escrow account. Please clarify.</p>		
<p>Distributions: 2 - MCB w/Att. A - Part I h/v, Part II - USC and Att. B h/v 3 - C ^u w/Att. A - Part I h/v, Part II - USC and Att. B h/v. 2 - w/u w/o Atts.</p>		
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